

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA****CLERK'S OFFICE****NOTICE OF FILING****DOCKET NO. 2019-\_\_\_\_-E****DOMINION ENERGY SOUTH CAROLINA, INC. – REQUEST FOR APPROVAL OF AN EXPANDED DEMAND SIDE MANAGEMENT PLAN AND A MODIFIED DEMAND SIDE MANAGEMENT RATE RIDER**

On June 28, 2019, Dominion Energy South Carolina, Inc. (“DESC” or the “Company”) filed a request with the Public Service Commission of South Carolina (“Commission”) for approval of an expanded portfolio of demand side management programs (“Demand Side Management Programs” or “DSM Programs”). DESC has also requested approval of a rate rider that maintains the same terms and conditions presently in effect concerning the recovery of costs associated with the proposed DSM Programs and opt-out requirements for industrial customers, with the exception of an increased shared savings incentive mechanism for investing in such programs, changes to the amortization period and carrying costs rate for the unrecovered balance of DSM program costs, and a modification to the opt-out provisions to require 3 years of participation in the rate rider should a customer elect to participate in one of the DSM Programs. This request was filed pursuant to S.C. Code Ann § 58-37-20 (2015, as amended), Commission Regulations 103-819 and 103-823 (2012), and other applicable laws and rules.

S.C. Code Ann. § 58-37-20 authorizes the Commission to adopt procedures that encourage electrical utilities to invest in cost-effective energy efficient technologies and energy conservation programs and, if adopted, to provide incentives and cost recovery for those utilities who invest in cost-effective and environmentally acceptable programs to reduce energy consumption or demand. This statute allows energy suppliers and distributors to recover costs and obtain a reasonable rate of return on their investment in qualified DSM Programs sufficient to make these programs at least as financially attractive as construction of new generating facilities and directs the Commission to establish rates and charges that ensure that the net income of an electrical utility after implementation of specific cost-effective energy conservation measures is at least as high as the net income would have been if the measures had not been implemented.

The Company states that the proposed suite of DSM Programs is reasonably practicable for the Company to implement, reasonably likely to induce customer participation, technically and economically justified, and reasonably likely to provide savings to customers and the system. As part of its proposed suite of DSM Programs, and with certain modifications, DESC has proposed continuing the option for qualifying large commercial and industrial customers to “opt-out” of the DSM rider subject to certain terms and conditions, and also has proposed continuing the existing “opt-outs” in effect.

DESC's proposed DSM rider will allow DESC to recover: (1) all reasonable and prudent costs incurred in developing, implementing, and administering its DSM Programs, amortized over three years with unrecovered balances being changed from carrying costs to the Company's embedded cost of long-term debt; (2) DESC's net lost margin revenue reflecting the projected reduction in demand charges and megawatt hour sales that are calculated to occur as a result of customer participation in each DSM program; and (3) a shared savings incentive equal to 11.5% of the estimated net savings to customers of each energy efficiency program, which provides customers with 88.5% of the program net benefits, to be amortized over three years without interest or carrying costs added to the calculation of the Company's annual rider. DESC requests that the proposed DSM rider be made effective December 1, 2019, and subject to review and adjustment annually thereafter based upon an annual review period of December 1<sup>st</sup> through November 30<sup>th</sup>.

DESC currently estimates that the initial rate rider request to be effective May 1, 2020, would increase the bill of an average residential customer using 1,000 kilowatt hours per month by \$0.47 per month.

A copy of the Company's complete filing, as well as the proposed tariff, may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk's Office, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, the Request is available on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov) and is available from the corporate office of Dominion Energy South Carolina, Inc. at 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033.

A public hearing, if scheduled, will be held in Columbia, South Carolina in the offices of the Commission at the above address for the purpose of receiving testimony and other evidence from all interested parties regarding this Request. The time and date of any scheduled hearing will be furnished to all interested parties at a later date.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene with the Commission in accordance with the Commission's Rules of Practice and Procedure on or before **August 16, 2019**. Copies of the Petition to Intervene should also be provided to the South Carolina Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201; K. Chad Burgess, Esquire, Dominion Energy South Carolina, Inc., 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033; and all other parties of record. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. 2019-\_\_\_\_-E and mail a copy to all other parties in this docket.***

Any person who wishes to testify and present evidence at a public hearing, if scheduled, should notify, in writing: the Commission; the South Carolina Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and K. Chad Burgess, Esquire, Dominion Energy South Carolina, Inc., 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033, on or before **August 16, 2019**. ***Please refer to Docket No. 2019-\_\_\_\_-E.***

Any person who wishes to be notified of a public hearing, if scheduled, but does not wish to present testimony or be a party of record, may do so by notifying the Commission, in writing, on or before **August 16, 2019**. *Please refer to Docket No. 2019-\_\_\_\_-E.*

For the most recent information regarding this docket, please refer to [www.psc.sc.gov](http://www.psc.sc.gov) and *Docket No. 2019-\_\_\_\_-E.*

Persons seeking information about the Commission's Rules of Practice and Procedure should contact the Commission at (803) 896-5100 or visit its website at [www.psc.sc.gov](http://www.psc.sc.gov).